STATE OF NEVADA

LOCAL GOVERNMENT EMPLOYEE-MANAGEMENT RELATIONS BOARD

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DEBORAH BOLAND, M.D., a Local 5 Government Employee and member of the UMC PHYSICIANS' BARGAINING UNIT 6 of NEVADA SERVICE EMPLOYEES 7 UNION, SEIU LOCAL 1107, AFL-CIO, CLC,) A1-045854; A1-045855; A1-045856; et. al., 8

Complainants,

NEVADA SERVICE EMPLOYEES UNION,) SEIU LOCAL 1107, AFL-CIO and SERVICE)

EMPLOYEES INTERNATIONAL UNION,

Consolidated CASE NO. A1-045847; A1-045848; A1-045849; A1-045850;

A1-045851; A1-045852; A1-045853;

A1-045857; A1-045858; A1-045859;

A1-045860; A1-045861; A1-045862;

A1-045863; and A1-045864

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AFL-CIO, CLC,

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ORDER

ITEM NO. 802

Respondents. On the 11th day of March, 2015, this matter came on before the State of Nevada, Local

Government Employee-Management Relations Board ("Board") for consideration and decision pursuant to the provisions of the Local Government Employee-Management Relations Act ("the Act") NRS Chapter 288. The Board held an administrative hearing on this matter on December 9 and 10, 2014 in Las Vegas, Nevada.

The sole issue in this case is whether Respondent Service Employees International Union, Local 1107 ("Local 1107") breached the duty of fair representation owed to complainants who were employees in the physicians' bargaining unit of University Medical Center. Although the duty of fair representation is a dispute that arises frequently before this Board, this case presents unique factual circumstances.

On January 20, 1999 this Board certified Local 1107 as the bargaining agent for staff physicians employed by University Medical Center. University Medical Center of Southern Nevada, Item No. 438, EMRB Case No. A1-045656 (Jan. 20, 1999). On behalf of these

physicians, Local 1107 negotiated a collective bargaining agreement with UMC. The term of the agreement was from December 19, 2000 to June 30, 2002, but the agreement also contained an evergreen clause that specified that it remained in effect following June 30, 2002, until changed, amended, modified or terminated.

After June of 2002 Local 1107 attempted for a time to negotiate a successor agreement with UMC. Testimony at the hearing indicated that Local 1107 had come close to finalizing a successor agreement, but ultimately never successfully entered into a successor agreement with UMC on behalf of the physicians' unit.

Testimony at the hearing established that one of the physicians' principal concerns during the negotiations for a successor agreement centered on the issue of closing UMC's Quick Care facilities and outsourcing some of the positions in the bargaining unit. Vicky Hedderman, who was at the time the President of Local 1107, testified that Local 1107 responded to these concerns by developing a public relations campaign that included soliciting signatures from the public on a petition to keep the Quick Care facilities open.

Ms. Hedderman testified that some of the physicians in the bargaining unit had instead bypassed Local 1107 and set up a meeting with some Clark County Commissioners to discuss the issue. Ms. Hedderman testified that Local 1107's board is responsible for deciding when and where to pursue a strategy of meeting with the County Commission. Ms. Hedderman testified that following this incident, Local 1107 explained to this group of physicians the need to stick to the strategy that Local 1107 had developed.

Shortly after this unapproved meeting with the County Commissioners, Dr. Brad Walker appeared on a political talk show without Local 1107's knowledge or approval. Dr. Walker purported to represent Local 1107 on that talk show. Dr. Walker was among the group that had previously met with the County Commissioners. Ms. Hedderman testified that unauthorized representation of Local 1107 in public is a violation of Local 1107's constitution. According to Ms. Hedderman, Local 1107's biggest concern, however, was that during his television appearance, Dr. Walker advocated for protecting the employees in the physicians' bargaining unit by eliminating other positions within the separate bargaining unit of nurses and ancillary

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staff employed by UMC. Local 1107 was also the recognized bargaining agent to represent the nurses' unit, and Dr. Walker's television appearance greatly upset Local 1107's Chief Steward for the nurses' unit. According to Ms. Hedderman's testimony, Dr. Walker was "trying to throw the nurses and ancillary staff under the bus to save the physicians."

Due to these frustrations with the physicians' bargaining unit, Local 1107 began to consider its options for removing itself as the representative of the physicians' unit. During the summer of 2004, Local 1107's board, which consists of representatives from each of the various bargaining units represented by Local 1107, voted to withdraw as the bargaining agent for the physicians' bargaining unit.

Local 1107 advised the members of the bargaining unit by written correspondence that "effective immediately" Local 1107 disclaimed any interest and recognition as the bargaining agent for the physicians' unit. The date of that correspondence was July 16, 2004. That correspondence also stated that Local 1107 would continue to review and process grievances that were filed during the duration of the collective bargaining agreement. However, Local 1107 did not do so after Dr. Walker complained about Local 1107's choice of legal counsel.

From these facts the complainants asserted that Local 1107 breached its duty of fair representation by withdrawing as the bargaining agent, failing to secure a successor agreement and in abandoning the outstanding grievances.

Withdrawal As Bargaining Agent

Complainants contend that Local 1107's withdrawal as the bargaining agent breached the duty of fair representation. The duty of fair representation requires that a recognized employee organization may not act in a manner that is arbitrary, discriminatory or in bad faith towards the employees that it represents. Weiner v. Beatty, 121 Nev. 243, 116 P.3d 829 (2005).

A voluntary withdrawal by a bargaining agent, by itself, is not contrary to the Act. NAC 288.145(1)(a) contemplates that there may be circumstances where an employee organization might voluntarily withdraw its status as the recognized bargaining agent. A voluntary withdrawal represents the only circumstance in which an employer may withdraw recognition without first seeking the approval of this Board. NAC 288.145(2). As with all actions taken by a recognized bargaining agent, the duty of fair representation does apply to an organization's voluntary withdrawal. That is to say that a voluntary withdrawal may not be done for reasons that are arbitrary, discriminatory or taken in bad faith. See Weiner at 249, 116 P.3d at 833.

A bargaining agent's actions are arbitrary only if its conduct is so far outside a "wide range of reasonableness that it is wholly "irrational" or 'arbitrary." Marquez v. Screen Actors Guild, Inc., 525 U.S. 33, 45 (1998). The evidence at the hearing does not show that Local 1107's voluntary withdrawal was arbitrary. As Vicky Hedderman expressed, Local 1107 was concerned with its ability to manage the leaders of the physicians' unit based upon the rogue meeting with the County Commissioners and Dr. Walker's unauthorized television appearance. Dr. Walker was one of the leaders in the bargaining unit. Local 1107 was also very concerned with Dr. Walker's statements that advocated eliminating positions in the nurses' unit in order to favor the physicians, which effectively pitted two of Local 1107's represented units against each other. Local 1107's decision that it could no longer act as the bargaining agent for the physicians under these circumstances was not so far outside a wide range of reasonableness to be irrational. Rather we find this to be a clear and cogent rationale for its actions in withdrawing as the bargaining agent.

Under the duty of fair representation, a complainant may show that a bargaining agent's actions are discriminatory if those actions are "intentional, severe, and unrelated to legitimate union objectives." Amalgamated Ass'n of St., Elec. Ry. and Motor Coach Emp. of America v. Lockridge, 403 U.S. 274, 301 (1971). In order to show "bad faith," a complainant must present "substantial evidence of fraud, deceitful action or dishonest conduct." Id at 299. The evidence does not establish that Local 1107's withdrawal was tainted by either discrimination or bad faith. Quite to the contrary, avoiding the conflict between preferring the physicians' unit or the nurses' unit is a legitimate union objective. There was no evidence that Local 1107 was deceitful or dishonest towards the complainants concerning its withdrawal as the bargaining agent. Consequently we conclude that Local 1107 did not breach the duty of fair representation when it withdrew its status as the bargaining agent in July of 2004.

At the time of Local 1107's withdrawal, a new collective bargaining agreement had not

been finalized although the evidence at the hearing indicated that most of the terms of employment had been agreed upon with only a couple of issues left to be finalized through the fact-finding process established in NRS 288.200. Complainants contend that Local 1107 should have pushed forward through fact-finding to secure a successor agreement. We do not see Local 1107's refusal to finish negotiations with UMC to be a breach of the duty of fair representation. Upon Local 1107's voluntary withdrawal UMC was permitted to withdraw recognition of Local 1107 as the bargaining agent. NAC 288.145(2). The evidence introduced at the hearing indicated that UMC had done so at least by July 27, 2004. UMC's bargaining obligations under the Act require it to bargain with the recognized bargaining agent, and only the recognized bargaining agent. NRS 288.150(1); NRS 288.270(1)(e). Upon Local 1107's withdrawal, there was no recognized bargaining agent with which UMC could have continued negotiations. As UMC could not lawfully continue bargaining with a now unrecognized organization, we see no merit to the complainants' contention that Local 1107 should have pursued further negotiations after withdrawing as the bargaining agent.

Outstanding Grievances

Evidence at the hearing established that the time of Local 1107's voluntary withdrawal there remained a number of outstanding grievances at various stages in the grievance process. The Board previously bifurcated this matter and the purpose of this hearing was to address only Local 1107's possible violation of the Act, leaving the remedies portion of the hearing to be worked out at a future hearing. Thus we heard only generalized testimony concerning these grievances. The Board did receive into evidence a list of 27 grievances that had been prepared by Dr. Walker on March 26, 2004 prior to Local 1107's withdrawal. Dr. Walker testified that of the grievances on this list most had been settled and at the time of Local 1107's withdrawal only a few were left outstanding. Dr. Walker testified that perhaps five or six of those grievances were still pending.

Initially, Local 1107 indicated that it would continue to process the grievances that were filed before June 30, 2002. Local 1107 offered to provide an attorney named Bill Sokol to take the outstanding grievances to arbitration, but Dr. Walker protested that option, supposing there to

be a conflict of interest. After Dr. Walker complained Local 1107 took no further action on the grievances. There was no indication that Local 1107 spoke to anyone other than Dr. Walker about pursuing the grievances, and there was no explanation offered as to why Local 1107 bowed to Dr. Walker's protestations as opposed to fully addressing the matter with the individual employees involved in the grievances.

Notwithstanding its withdrawal, Local 1107 remained under the duty of fair representation to continue to process the grievances, or protect the rights of any grievant that may have been able to act individually to pursue a grievance under NRS 288.140(2).

In the context of an involuntary withdrawal and in the absence of a successor bargaining agent, a union retains the right to pursue grievances for relief that arose under the term of the contract. *International Union, United Auto., Aerospace & Agric. Implement Workers of Am. v. Telex Computer Prods., Inc.,* 816 F.2d 519 (10th Cir.1987); see also American Fed'n of Gov't Emps. Local 888, 323 N.L.R.B. 717, 721 (1997) ("[S]uch events as the expiration of a collective-bargaining agreement or the removal of a collective-bargaining representative should not result in the employees' automatic loss of rights—including rights to arbitration of grievances as provided for in a contractual arbitration clause—that [arose] under the agreement in question."). The same rationale applies to the context of a voluntary withdrawal. Thus, we hold that where an employee organization voluntarily withdraws as bargaining agent, and is not replaced by a new bargaining agent, the withdrawing organization breaches the duty of fair representation when it abandons the existing grievances or does not otherwise take steps to eliminate any material adverse effects on the affected employee.¹

This obligates a withdrawing organization to either pursue the outstanding grievances in the normal course or, at the employee's option, to relinquish the grievances to the employees pursuant to their individual right to act for themselves under NRS 288.140(2).

In this case, Local 1107 wrote to the affected employees and informed them that they would continue to pursue existing grievances, but then reversed course based upon a complaint

¹ The withdrawing organization still retains the right to make a good faith evaluation of the merits of an outstanding grievance.

from a single employee about Local 1107's choice of counsel. Local 1107 thereafter did nothing to pursue the existing grievances or to eliminate the materially adverse effects of its actions on the affected employees. By abandoning the existing grievances in this way, we find that Local 1107 did breach the duty of fair representation owed to the employees who still had pending grievances.

Further, Local 1107's duty of fair representation to pursue the existing grievances did not only apply to grievances arising prior to June 30, 2002. The duty of fair representation applies to all grievances arising during the time in which the collective bargaining agreement was in effect. After June 30, 2002, the terms and conditions of employment for the employees in the physicians' unit were still governed by that same agreement during the negotiations for a successor agreement and up until Local 1107's withdrawal in July 2004. Respondent's Exhibit 1, p. 78; Stationary Engineers, Local 39 v. Airport Authority of Washoe County, Item No. 133, EMRB Case No. A1-045349, p. 3 (July 12, 1982). Local 1107's duty to pursue grievances includes grievances arising at all times that the agreement was in effect and not merely grievances arising prior to June 30, 2002.

Remedy

Having found that Local 1107 breached the duty of fair representation by abandoning the grievances that were outstanding at the time of its withdrawal, we look next to the remedy for this violation of the Act.

We note the procedural accommodations that are unique to this hearing and the consolidation of 18 individual complaints into one proceeding. At the request of the parties this Board bifurcated the hearing to address first the question of whether or not Local 1107 had breached the duty of fair representation and to leave questions over the remedy for a future hearing. However, based upon our finding stated above, the appropriate remedy is now apparent to the Board.

The Board's authority is to restore to an aggrieved party the benefit of which he or she has been deprived by a prohibited labor practice. NRS 288.110(2). In this case, the Board finds that the evidence presented thus far is sufficient for the Board to identify the benefit of which

complainants' have been deprived due to Local 1107's breach of the duty of fair representation: the benefit of having the outstanding grievances pursued by Local 1107. The remedy for this breach is for Local 1107 to take steps to ensure there is no material adverse effect on the individual employees by pursuing the grievances that affect any of the complainants and which remain unresolved. As stated above, should any of the individual employees wish to act for themselves pursuant to NRS 288.140(2) to pursue an outstanding grievance, Local 1107 may instead relinquish the grievance to the employee upon the employee's request.

In recognition that the bifurcated procedure we followed in this case that envisioned a continuation of the hearing to address remedies, and to accommodate the parties to this proceeding, should any party wish to present additional evidence or wishes to obtain more information relevant to the implementation of this remedy, the party may notify the Board's Commissioner in writing within 20 days of the date of this order. If such a notification is received, the Commissioner shall immediately inform all parties and shall schedule a continuation of the hearing for this matter for a future meeting to take additional evidence concerning the remedy we have ordered. In the event that no timely notification is received by the Commissioner, then this order shall be deemed the Board's final order in this matter.

Based upon the foregoing the Board makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

- 1. Complainants are a group of 18 physicians employed by University Medical Center in the physicians' bargaining unit.
- 2. Respondent Service Employees International Union, Local 1107 was the recognized bargaining agent for the physicians' bargaining unit.
- 3. On behalf of the physicians' bargaining unit, Local 1107 entered into a collective bargaining agreement with UMC. The term of that agreement ran from December 19, 2000 to June 30, 2002, and continued in effect from year to year thereafter until Local 1107 voluntarily withdrew as the bargaining agent in July of 2004.
 - 4. After June of 2002, Local 1107 attempted to negotiate a successor agreement with

UMC. Despite reaching consensus on most issues in that round of negotiations, Local 1107 did not finalize a successor agreement.

- 5. During the negotiations for a successor agreement, Local 1107 developed a strategy to publicly address employee concerns about closing Quick Care facilities and outsourcing positions in the physicians' bargaining unit.
- 6. Without Local 1107's prior knowledge or consent, a group of employees from the physicians' bargaining unit, including Dr. Bradley Walker, met with some Clark County Commissioners to discuss the Quick Care issue.
- 7. Local 1107 admonished the employees that had met with the County Commissioners about following the strategy that Local 1107 had developed.
- 8. Without Local 1107's knowledge or consent, Dr. Walker appeared on a television political talk show purporting to represent Local 1107. During the course of that show, Dr. Walker asserted that UMC should eliminate positions in the nurses' bargaining unit in order to favor the employees in the physicians' bargaining unit.
 - 9. Local 1107 was the recognized bargaining agent for the nurses' bargaining unit.
- 10. Dr. Walker's position stated on the television show created tension between the nurses' bargaining unit and the physicians' bargaining unit.
- 11. Local 1107 voluntarily withdrew as the bargaining agent for the physicians' bargaining unit in July of 2004. UMC had recognized the withdrawal no later than July 27, 2004.
- 12. At the time that Local 1107 withdrew as bargaining agent, there were grievances that were still pending.
 - 13. As of the date of the hearing, some grievances remained outstanding.
- 14. Local 1107 notified employees in the bargaining unit that it would continue to pursue grievances that arose prior to June 30, 2002.
- 15. Dr. Walker complained about the choice of legal counsel provided by Local 1107 to pursue the outstanding grievances. Local 1107 thereafter did nothing to pursue the outstanding grievances.
 - 16. Upon withdrawal as the recognized bargaining agent, UMC and Local 1107 did

not further pursue negotiations to establish a successor agreement.

17. If any of the foregoing findings is more appropriately construed a conclusion of law, it may be so construed.

CONCLUSIONS OF LAW

- 1. Pursuant to NRS 288.110(2) the Board has exclusive jurisdiction to hear and determine disputes arising out of the interpretation of or performance under the provisions of the Local Government Employee-Management Relations Act.
- 2. A breach of the duty of fair representation concerns a breach of performance under the Act as recognized in Rosequist v. Int'l Ass'n of Firefighters Local 1908, 118 Nev. 444, 49 P.3d 651 (2002).
 - 3. A bargaining agent may voluntarily withdraw as the recognized bargaining agent.
- 4. The duty of fair representation applies to a bargaining agent's voluntary withdrawal and the withdrawal may not be done for reasons that are arbitrary, discriminatory or take in bad faith.
- 5. Local 1107's withdrawal was based upon concerns over its ability to control the leaders of the physicians' bargaining unit and the tension between the physicians' unit and the nurses' unit.
 - 6. Local 1107's withdrawal for these reasons was not arbitrary.
- 7. Local 1107's withdrawal was motivated by legitimate union objectives and was not discriminatory.
 - 8. Local 1107's withdrawal as the bargaining agent was not taken in bad faith.
- 9. Upon UMC's acceptance of Local 1107's withdrawal, Local 1107 ceased to be the recognized bargaining agent. Thereafter UMC was not obligated or permitted under the Act to continue negotiations with Local 1107.
- 10. Even upon withdrawal with no successor bargaining agent in place, the duty of fair representation applied to Local 1107's handling of the outstanding grievances.
- 11. The duty of fair representation required Local 1107 to eliminate any materially adverse effects on the employees affected by the outstanding grievances.

- 12. Local 1107 was obligated to continue processing the outstanding grievances that arose during the time frame that the collective bargaining agreement governed the employees' employment up to Local 1107's withdrawal as bargaining agent.
- 13. Alternatively, Local 1107 may satisfy the duty of fair representation by relinquishing the grievance to the employee to act for themselves under NRS 288.140(2), if the employee so requests.
- 14. Local 1107 breached the duty of fair representation when it arbitrarily abandoned the outstanding grievances after Dr. Walker complained about Local 1107's choice of counsel.
- 15. The remedies identified in this decision and order are intended to effectuate the policies and purposes of the Act.
- 16. If any of the foregoing conclusions is more appropriately construed a finding of fact, it may be so construed.

<u>ORDER</u>

Based upon the foregoing, and as stated above, it is hereby ordered that Service Employees International Union, Local 1107 shall continue to pursue the grievances against UMC that concern any of the complainants and that remain outstanding. Should any of the complainants request to pursue the grievance individually pursuant to NRS 288.140(2), Local 1107 may relinquish the grievance to the employee upon the employee's written request.

DATED the 23rd day of March, 2015.

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BY:

PHILIP E. LARSON, Chairman

BY:

BRENT C. ECKERSLEY, ESQ.

Vice-Chairman

BY:

SANDRA MASTERS, Board Member

1 STATE OF NEVADA LOCAL GOVERNMENT EMPLOYEE-MANAGEMENT 2 **RELATIONS BOARD** 3 DEBORAH BOLAND, M.D., a Local 4 Government Employee and member of the Consolidated CASE NO. A1-045847; UMC PHYSICIÂNS' BARGAINING UNIT 5 of NEVADA SERVICE EMPLOYEES A1-045848; A1-045849; A1-045850; UNION, SEIU LOCAL 1107, AFL-CIO, CLC.⁾ 6 et. al., A1-045851; A1-045852; A1-045853; 7 Complainants, A1-045854; A1-045855; A1-045856; 8 VS. A1-045857; A1-045858; A1-045859; 9 NEVADA SERVICE EMPLOYEES UNION, A1-045860; A1-045861; A1-045862; SEIU LOCAL 1107, AFL-CIO and SERVICE) 10 EMPLOYEES INTERNATIONAL UNION, A1-045863; and A1-045864 AFL-CIO, CLC, 11 NOTICE OF ENTRY OF ORDER Respondents. 12 13 To Complainants: Deborah Boland, et. al., and their attorney Esther C. Rodriguez, Esq. 14 To Respondent: Nevada Service Employees Unions, SEIU Local 1107, and their attorney Michael A. Urban, Esq. 15 PLEASE TAKE NOTICE that the ORDER was entered in the above-entitled matter on 16 March 23, 2015. 17 A copy of said order is attached hereto. 18 DATED this 23rd day of March, 2015. 19 LOCAL GOVERNMENT EMPLOYEE-20 MANAGEMENT RELATIONS BOARD 21 By: 22 MÁRISU ROMUALDEZ ABELLAR Executive Assistant 23 24 25 26 27

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CERTIFICATE OF MAILING

I hereby certify that I am an employee of the Local Government Employee-Management Relations Board, and that on the 23rd day of March, 2015, I served a copy of the foregoing ORDER by mailing a copy thereof, postage prepaid to:

Esther C. Rodriguez, Esq. Rodriguez Law Offices 10161 Park Run Drive, Suite 150 Las Vegas, NV 89145

Michael A. Urban, Esq. The Urban Law Firm 4270 S. Decatur Blvd., Suite A-9 Las Vegas, NV 89103

MARISU ROMUALDEZ ABELLAR

Executive Assistant